

UNITED STATES DISTRICT COURT  
DISTRICT OF MINNESOTA

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Securities and Exchange Commission,

Civil No. 06-1213 (JRT/FLN)

Plaintiff,

v.

**REPORT AND  
RECOMMENDATION**

Sherwin P. Brown, Jamerican Financial,  
Inc., and Brawta Ventures, LLC,

Defendants.

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This matter came before the Court on May 31, 2011 on Receiver Nauni Manty's Motion for Approval of Asset Distribution Plan and for Discharge of the Receiver (ECF No. 488). The matter was referred to the undersigned for Report and Recommendation pursuant to 28 U.S.C. § 636 and Local Rule 72.1.

**I. RELEVANT FACTS**

At the hearing on May 31, 2011, Defendant Sherwin P. Brown objected to the attorney fees requested by Receiver. The Court notes that Receiver has sought compensation for only 46 percent of time billed on this matter. (*See* ECF No. 489.) The Court further notes that a substantial amount of the time billed by Receiver's attorneys was spent reviewing and responding to Defendants' various motions, objections and correspondence. (*See* ECF No. 490.)

Additionally, with respect to issues raised by Mr. Brown at a previous hearing before the Court on October 4, 2010, the Securities and Exchange Commission ("SEC") and Receiver have expressed that they have no objection to lifting the Order of Preliminary Injunction and Asset Freeze dated April 14, 2006 (ECF No. 19) with respect

to any funds in the Jamerica Financial Inc. 401(k) account and the American Funds Service Company account. (*See also* ECF No. 164.) The parties further agreed that Mr. Brown need no longer be required to notify the SEC or Receiver about his plans for future foreign travel as previously ordered. (See ECF No. 10 at 10; ECF No. 19 at 9; ECF No. 164 at 10.)

## **II. RECOMMENDATION**

Having considered the submissions of the parties, the arguments of counsel and the parties, and all the files and proceedings herein, **IT IS HEREBY RECOMMENDED** that:

1. Receiver Nauni Manty's Motion for Approval of Asset Distribution Plan and for Discharge of the Receiver (ECF No. 488) be **GRANTED**.
2. The following assets of the receivership be distributed to the below identified Brawta investors and creditors in the following amounts:

<b><u>INVESTOR NAME</u></b>	<b><u>DISTRIBUTION (\$)</u></b>
Steven J. Kohler	170.48
David W. Eisen	903.88
Lisa Kisch	170.48
Dean Volkert	542.32
Daniel A. Linell	542.32
Mary E. Huss	340.98
Robert J. Pickett	340.98
Robert J. Fredericks	340.99
Linda Hacker	170.49
Lillian Derevitsky	1,205.00
Rodney Swanson	542.33
Wayne F. Haag	1,813.94
James & Sandra Talbot	1,084.67
Steven E. Pickhartz	723.11
Michele R. Hostager	340.99
Sigmund & Ila Schneibel	340.99
Carolyn Maher	340.99
Gary M. Timm	170.49

William J. Scaramuzzo	903.89
Aarron M. Reinert	361.55
Anthony Sandoval	903.89
Janice E. Koshak	903.89
R. Lee Mauk	723.11
William & Diane Bennis	170.49
Richard & Karen Carey	382.13
Bernard & Mary Lou Larson	382.13
Patrick Murphy	191.06
James R. Stickler	340.99
Diana Hyland Weber	170.49
Kevin P. Noel	1,169.91
Sheryl & Donald Smith	681.97
Carol Schaaf	722.59
Kathryn S. Paurus	360.15
Jeremy S. Springer	340.99
Nancy L. Springer	382.13
Thomas E. Krantz	170.49
Allen R. Wirth	542.33
George Rozenkowski	903.89
Ralph L. Karner	903.89
Kenneth L. Sturm	542.33
Kenneth G. Lorentz	426.24
Alain M. Pensini	542.33
Duane & Mary Ducklow	361.55
Kathleen T. Burkard	170.49
Gary Brewer	170.49
Edward Urban	170.49
Anthony C. Jordan	637.86
Vivian VonDeLinde	573.18
Patrick O. Harvey	340.99
Roy L. Estes	255.74
Andrew C. Jurewicz	255.74
Jerry G. Johnson	1,807.77
Barbara Dudakiw	255.74
Nawrocki, Rooney & Sievertson, P.A.	291.70

3. Receiver be authorized to distribute \$40,114.36 to Felhaber, Larson, Fenlon & Vogt, P.A.
4. Receiver be authorized to distribute \$54,673.64 to Manty & Associates, P.A.
5. Receiver be authorized to distribute \$1,500.00 to DS&B, Ltd.

6. Receiver be discharged from her duty in this case as Receiver for the Brawta investors upon completion of the above distributions.

Based upon the representations by counsel and the consent of the parties, it is further **RECOMMENDED** that:

1. The Court's Agreed Order of Preliminary Injunction and Asset Freeze dated April 14, 2006 (ECF No. 19) be lifted only with respect to any funds in the Jamerica Financial Inc. 401(k) account number xxxxx669 and American Funds Service Company account number xxxxx69. (*See also* ECF No. 164.)
2. Mr. Brown no longer be required to notify the SEC or Receiver about his plans for future foreign travel as previously ordered. (*See* ECF No. 10 at 10; ECF No. 19 at 9; ECF No. 164 at 10.)

DATED: June 5, 2011

s/ Franklin L. Noel  
FRANKLIN L. NOEL  
United States Magistrate Judge

Pursuant to the Local Rules, any party may object to this Report and Recommendation by filing with the Clerk of Court and serving on all parties, on or before **June 20, 2011**, written objections that specifically identify the portions of the proposed findings or recommendations to which objection is being made, and a brief in support thereof. A party may respond to the objecting party's brief within fourteen (14) days after service thereof. All briefs filed under the rules shall be limited to 3,500 words. A judge shall make a de novo determination of those portions to which objection is made.

Unless the parties are prepared to stipulate that the District Court is not required by 28 U.S.C. § 636 to review a transcript of the hearing in order to resolve all objections made to this Report and Recommendation, the party making the objections shall timely order and cause to be filed by **June 20, 2011** a complete transcript of the hearing.

This Report and Recommendation does not constitute an order or judgment of the District Court, and it is, therefore, not appealable to the Circuit Court of Appeals.